



## FAQ about Donor Advised Funds

### What kind of grants can a donor advised fund recommend?

Donor advised funds can recommend grants to qualified non-profits in support of charitable activities. Please see the *Grantmaking Basics* handout for specific information on grantmaking.

### Can a donor advised fund recommend grants to individuals?

No. The Pension Protection Act of 2006 prohibits making donor advised funds from making grants directly to individuals, including providing scholarships.

### Are grant requests ever denied?

Sometimes. ACF staff has a legal obligation not to approve any grant request which is not charitable in nature, provides a direct benefit to the donor advisor or a related party, or is directed to an individual. ACF staff will always work closely with donor advisors to find alternatives.

### Is fundraising for a donor advised fund permitted?

Yes. However, we do ask that fund representatives contact their ACF program officer prior to beginning fundraising efforts. This ensures that ACF is able to properly acknowledge gifts received from fundraising activities and that those activities are within the guidelines established by ACF's Fundraising Policy. More information is available in the handout *Fundraising Policy Summary*. Fundraising expenses cannot be paid out of a donor advised fund.

### Do grants have to be made every year from a donor advised fund?

No. Grants do not have to be made every year. However, if no grants have been made from a fund for a period of two years, ACF staff will attempt to contact fund advisors. After several years of inactivity, a Fund may be turned into a designated, unrestricted or field of interest fund for grantmaking if ACF staff is unable to contact any fund advisor.

### Can more than one person be an advisor?

Yes. In addition to individuals, groups, boards, and companies can also be named.

### Can a donor advisor change current advisors or name successor advisors?

Yes. Successor advisors may be named at any time. Fund advisors can also be changed at any time. A majority of fund advisors must approve a change. Program staff can provide a *Fund Addendum*.

### How does a donor advisor recommend grants from a donor advised fund?

Fill out the *Donor Advised Grant Recommendation Form* and return it to ACF. Recommendations can be submitted by mail, e-mail or fax but a signature is necessary.

### How often can a donor advisor recommend grants from a donor advised fund?

A fund advisor can recommend grants as often as they like. However, grant recommendations are processed by ACF staff twice a month (15<sup>th</sup> and 30<sup>th</sup>). Checks to grantees are usually available within three days of grant processing.